The Management University of Africa

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## UNDERGRADUATE UNIVERSITY EXAMINATIONS

## SCHOOL OF MANAGEMENT AND LEADERSHIP

## DEGREE OF BACHELOR OF COMMERCE/ BACHELOR OF MANAGEMENT AND LEADERSHIP / BACHELOR OF ARTS IN DEVELOPMENT STUDIES

**UCU 403/ BCM 423:** **BUSINESS MANAGEMENT INFORMATION SYSTEM**

*DATE:* *16TH APRIL 2018*

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

## INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

## QUESTION ONE

**Read the Case Study below carefully and answer the questions that follow:**

**INTEGRATED CUSTOMS SYSTEM GAME-CHANGER IN CLEARANCE OF GOODS**

*Article featured on the Business Daily September 14, 2017. The author Julius Musyoki is Commissioner for Customs and Border Control at Kenya Revenue Authority.*

Customs agencies, globally, are facing the emerging dilemma of balancing demands to improve trade facilitation while at the same time meeting increasing needs for compliance.

They are under pressure to deliver customer-focused services, collect accurate revenues and prevent illegal trade within the constraints of limited resources.

These calls for modernization of customs administration to deliver agility, accuracy, security, and transparency using systems that are empowering rather than restrictive.

It is for this reason that the Kenya Revenue Authority (KRA) is implementing the Integrated Customs Management System (iCMS).

This system consolidates all the existing customs systems into one modern, robust and more efficient system built on the latest technology with capability of seamlessly interfacing with other internal and external systems as need arises.

The system is bound to be a game-changer in customs processing as it will align operations with international best practices and improve the ease of doing business not only in Kenya but also the in East African Community (EAC).

In line with the World Trade Organisation's (WTO) requirement for the simplification and harmonisation of international trade procedures, iCMS promises to further simplify and optimise customs processes.

The changes involve coming up with a new system that incorporates all the subsystems built around the main clearance system as well newly defined functionalities.

The current customs system, Simba 2005/2014, runs on a multiplicity of sub-systems and requires multiple points of authentication for users hence sometimes takes more time. But with the new system, it is envisioned that clearance time for imports and exports will reduce by at least 60 per cent. For a long time, all EAC member states, except Kenya, have been using the Automated System for Customs Data (Asycuda). The iCMS is now able to exchange customs declaration information with Asycuda.

This is of great benefit to countries that rely on Mombasa port. With the new iCMS, all countries that have been using Mombasa port will be able to track the movement of their cargo. The issue of possible diversion of transit goods into the local market or disappearance of containers will be a thing of the past. Further, the new system has friendly interactive capabilities that will eliminate redundant processes, automate manual and semi-manual processes, and incorporate robust management in all customs transactions.

This will pave the way for the era when traders will be enabled to make their own cargo self-declarations.

In addition, the iCMS solution comes with best practice features including auto-upload of cargo import data from shipping manifest to prevent import falsification, auto-exchange of information with iTax to counter non-compliant traders and a virtual electronic auction platform to make customs cargo auctions accessible to all.

This level of improvement for Kenya's customs processes and procedures will allow for less paperwork and thus faster clearance, to save not only money but also time in business transactions.

**Required:**

(a) From the case study business it is seen that KRA is implementing a customs management system so as to improve port efficiency and effectiveness? Like in other information systems the customs management system comprises of 5 components, list and briefly describe these 5 components **(10 Marks)**

(b) In the case study above, the Integrated Customs Management System (iCMS) being implemented by KRA will play a key role in the running of port business. As an information system, explain the four key functions the iCMS do for KRA in terms of data and information handling? **(4 Marks)**

(c) The iCMS being implemented by KRA can be categorized as an information system, briefly describe the 3 types of Information Systems. **(6 Marks)**

(d) What type of information system is the iCMS? Why would you classify it as the type you have chosen? **(5 Marks)**

**QUESTION TWO**

**a)** Business information systems purely depend on the data and information fed to the system and in case of the quality of the information is tempered with, the system fails to provide authentic information for the purpose of decision making by managers. State and briefly describe at least 5 characteristics of good information **(10Marks)**

**b)** Define the following terms: Data and Information and by use of a diagram illustrate the data transformation process **(5 Marks)**

## QUESTION THREE

(a) Total Kenya Ltd is one of the leading petroleum products dealers in Kenya and it plans to implement an Information Technology so as to improve its business efficiency and gain a competitive edge. List and describe the six features that need to be covered in the plan of implementation **(12 Marks)**

(b) As business organizations develop different choices of information technology and its configurations, the decision - making enters into the evaluation phase for selection. The selection criteria for evaluation would have different dimensions to be satisfied simultaneously. Explain the three dimensions. **(3 Marks)**

## QUESTION FOUR

Bidco Company has been running four different types of I.S to handle various department needs e.g. the accounting, human resource, and sales department. The company plans to implement an ERP in order to have one system with different modules within it

(a) Define the term ERP and discuss the four dimensions BIDCO can use to select a viable ERP solution **(10 Marks)**

(b) State at least 5 benefits BIDCO would gain from implementing a good ERP solution **(5 Marks)**

## QUESTION FIVE

(a) Information is one of many company resources, alongside capital, raw materials and labor, since no company is viable without information. Regarding information as a scarce resource obliges us to consider the issue of information economics, in other words, how to establish the necessary relationship between the value of information and its cost.

What is information cost? What aspects can be put into consideration so as to estimate the cost of Information? **(5 marks)**

(b) Despite the exponential growth in the use of I.S in business, managers have had to deal with several challenges in the implementation and use of information systems. Clearly state and briefly explain these five challenges encountered by managers **(10 marks)**

**QUESTION SIX**

(a) An Enterprise Management System (EMS) is an integrated solution which comprises of several applications which have different functions in a business organization. Outline the applications and their functions in the table below?

**(12 Marks)**

| | **Acronym** | **Full Name of application** | **Function** |
|---|---|---|---|
| **1.** | **ERP** | Enterprise Resource Systems | ERP system plays the role of front running system |
| **2.** | **EDI** | | |
| **3.** | **CAD/ CAM/ CAE** | | |
| **4.** | **AMS** | | |
| **5.** | **DMS** | | |
| **6.** | **CMS** | | |
| **7.** | **SMS** | | |

(b) Business organizations use several categories of information systems such as the TPS, MIS and DSS, clearly illustrate with a diagram which level of the organization the three systems are used **(3 Marks)**